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**ELATE HOLDINGS LIMITED**

**誼礫控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 076)**

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued Existing Shares be consolidated into one (1) Consolidated Share.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing details of the Share Consolidation together with a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

**Shareholders should take note that the Share Consolidation is conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## **SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) Existing Shares to be consolidated into one (1) Consolidated Share. As at the date of this announcement, 7,006,631,478 Shares are in issue and fully paid. After the Share Consolidation becoming effective, there will be 350,331,573 Consolidated Shares.

### **Effect of the Share Consolidation**

The Consolidated Shares will rank pari passu in all respects with each other in accordance with the Company's articles of association. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

## **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following:

- (1) the passing of the ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM; and
- (2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares to be in issue.

The Share Consolidation is expected to become effective on 16 December 2022, being the second business day after the EGM, subject to the fulfilment of the above conditions.

## **Reasons for the Share Consolidation and Change in Board Lot Size**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the Existing Shares approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the Company to either change the trading method or to proceed with a consolidation or splitting of the Existing Shares.

Over the past 12 months, the Existing Shares has been trading at a closing price below HK\$0.1. The Board considers that the proposed Share Consolidation, resulting in a theoretical value of HK\$0.64 per Consolidated Share (based on the closing price of HK\$0.032 per Existing Share as at the date of this announcement), would enable the Company to avoid the occurrence of non-compliance with the trading requirements under the Listing Rules. Accordingly, the Share Consolidation will bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Consolidated Shares. As a result, the Share Consolidation would not only enable the Company to comply with the trading requirements under the Listing Rules, but would also attract more investors and hence broaden the Shareholder base.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled.

In view of the above considerations, the Board is of the view that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fundraising activities in the next 12 months.

## **NO CHANGE IN BOARD LOT SIZE**

The Existing Shares are currently traded on the Stock Exchange in board lot size of 4,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 4,000 Consolidated Shares per board lot.

Based on the closing price of HK\$0.032 per Existing Share (equivalent to the theoretical closing price of HK\$0.64 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 4,000 Existing Shares is HK\$128; and (ii) the value per board lot of 4,000 Consolidated Shares would be HK\$2,560 on the assumption that the Share Consolidation becomes effective.

## **Listing Application**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation taking effect.

## **Exchange of Share Certificates**

Subject to the Share Consolidation becoming effective, Shareholders may during the specified period submit share certificates in colour of red for Existing Shares to the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange, at the expense of the Company, for new share certificates for the Consolidated Shares in colour of yellow. After 4:10 p.m. on 27 January 2023, certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for Existing Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher. Nevertheless, certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for Consolidated Shares at any time.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.50 each (or such other amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Company's Hong Kong branch share registrar for exchange of new share certificates.

## Arrangement on Odd Lots Trading

Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Consolidated Shares regardless of the number of share certificates held by such holder.

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots arrangement will be set out in the circular to be despatched to the Shareholders in relation to the Share Consolidation.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

## Expected Timetable

The expected timetable of the proposed Share Consolidation is as follows:

Despatch date of circular and Notice of EGM. . . . .	Monday, 21 November 2022
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM. . . . .	4:30 p.m. on Thursday, 8 December 2022
Closure of register of members for the entitlement to attend and vote at the EGM (both days inclusive) . . . . .	Friday, 9 December 2022 to Wednesday, 14 December 2022
Latest date and time for lodging forms of proxy for the EGM . . . . .	11 a.m. on Monday, 12 December 2022
EGM. . . . .	11 a.m. on Wednesday, 14 December 2022
Announcement of EGM results . . . . .	Wednesday, 14 December 2022

**The following events are conditional upon satisfaction of the conditions for the implementation of the Share Consolidation:**

Effective date of the Share Consolidation . . . . .	Friday, 16 December 2022
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares . . . . .	Friday, 16 December 2022
Dealings in the Consolidated Shares commences . . . . .	9 a.m. on Friday, 16 December 2022
Original counter for trading in Existing Shares in board lots of 4,000 Shares closes . . . . .	9 a.m. on Friday, 16 December 2022
Temporary counter for trading in Consolidated Shares in board lots of 200 Consolidated Shares (in the form of existing share certificates) opens . . . . .	9 a.m. on Friday, 16 December 2022
Original counter for trading in Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of new share certificates) re-opens. . . . .	9 a.m. on Wednesday, 4 January 2023
Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares . . . . .	9 a.m. on Wednesday, 4 January 2023
Parallel trading in Consolidated Shares (in form of new share certificates and existing share certificates) commences . . . . .	9 a.m. on Wednesday, 4 January 2023
Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares . . . . .	4 p.m. on Friday, 27 January 2023
Temporary counter for trading in Consolidated Shares in board lots of 200 Consolidated Shares (in the form of existing share certificates) closes . . . . .	4:10 p.m. on Friday, 27 January 2023
Parallel trading in Consolidated Shares (in form of new share certificates and existing share certificates) ends . . . . .	4:10 p.m. on Friday, 27 January 2023
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares . . . . .	Tuesday, 31 January 2023

*All times and dates in this announcement refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to amendment. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.*

## **Extraordinary General Meeting**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among others, (i) further details of the Share Consolidation; and (ii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. If they are in any doubt, they should consult their professional advisers.**

## **DEFINITIONS**

In this announcement, the following words and expressions shall have the meanings set out below, unless the context otherwise requires:

“Company”	Elate Holdings Limited, a company incorporated in Hong Kong with limited liability and the securities of which are listed on the Stock Exchange
“Consolidated Shares”	the ordinary shares of the Company immediately after the Share Consolidation becoming effective
“Board”	the board of directors of Elate Holdings Limited
“EGM”	an extraordinary general meeting to be held to seek the Shareholders’ approval to the Share Consolidation
“Existing Shares”	the ordinary share(s) of the Company before the Share Consolidation becoming effective
“Group”	the Company and its subsidiaries
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary shares in the capital of the Company
“Share Consolidation”	every 20 Existing Shares to be consolidated into one Consolidated Share

“Shareholder(s)” holder(s) of the Shares of the Company

“Stock Exchange” the Stock Exchange of Hong Kong Limited

By Order of the Board  
**Elate Holdings Limited**  
**Vivian Lam**  
*Company Secretary*

Hong Kong, 10 October 2022

*As at the date of this announcement, the board of directors comprises of Mr. Feng Zhong Yun and Ms. Zhang Xue, being executive directors; Mr. Chai Woon Chew, Mr. Ng Lai Po and Ms. Ye Yi Fan being independent non-executive directors.*